

**Competitive Geothermal and Oil and Gas Lease Sale
February 11, 2010**

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December 11, 2009

**NOTICE OF COMPETITIVE LEASE SALE
GEOTHERMAL**

The Colorado State Office is offering competitively 1 parcel containing 799.2 acres of Federal lands in the State of Colorado for **geothermal leasing**. This notice provides:

- the time and place of the sale,
- how to participate in the bidding process,
- the sale process,
- the conditions of the sale, and
- how to file a noncompetitive offer after the sale.

The sale will be held in accordance with the Energy Policy Act of 2005, and the Final rules issued May 2, 2007, (43 CFR Parts 3000, 3200 and 3280, Fed. Reg. Vol. 72, No. 84).

Attached to this notice is a list of the lands we are offering by serial number and legal land description. We have included any special conditions or restrictions that will be made a part of the lease below the legal description. The bid form (Form 3000-2, dated August 2007) can be found at:

<https://www.blm.gov/FormsCentral/show-home.do>

When and where will the sale take place?

- When:** The competitive oral sale will begin at 9 a.m. on February 11, 2010. The sale room will open one hour earlier to allow you to register and obtain your bid number. Registration begins at 8 a.m.
- Where:** The sale is held at the Bureau of Land Management, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215. Parking is available.
- Access:** The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact Karen Zurek at (303) 239-3795.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the national minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must register to obtain a bid number. We will begin registering bidders at 8 a.m. on the day of the sale. Bidders must register in order to bid on a parcel.

When you register to bid, you will be asked to sign a statement that your bid is a good faith intention to acquire a geothermal lease and that you understand any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed, whether or not a lease is subsequently issued. Further, you will acknowledge that you understand it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications, bidder registration and intent to bid, acceptance of a lease, and payment of monies owed.

If you, or the party you represent, owe the United States any monies that were due the day of a previous geothermal lease auction conducted by any BLM office, that is, the minimum monies owed the day of the sale, you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” (30 U.S.C. 226(b) (1) (A)). Any bidder, or party represented by a bidding agent, who does not pay the minimum monies owed the day of the sale is considered as not being “responsible” and thus not a “responsible qualified bidder,” and will be barred from participating in any geothermal lease auction until that debt to the United States is settled.

What is the sale process?

Starting at 9 a.m. on the day of the sale:

- the auctioneer will offer the parcel shown in the attached Lease Sale Notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre. If a parcel contains fractional acreage, it is rounded up to the next whole acre. For example, a parcel of 100.401 acres requires a minimum bid of \$202 (\$2 x 101 acres).

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw the one offered parcel before the sale begins. If we withdraw the parcel, we will post a notice in the State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. The money **due the day of the sale** is twenty percent of the bonus bid, the first year’s rental of \$2 per acre or fraction of an acre, and a non-refundable administrative fee of \$145. You must pay this money on the day of the sale at the sale site or by 4 p.m. at the Colorado State Office. You must pay any remaining balance due by **4 p.m. February 26, 2010**, which is the fifteenth calendar day following the sale. **If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale.** If you forfeit a parcel, we may offer it at a future sale.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States, whether or not a lease is issued (43 CFR 3203.17(b) and 43 CFR 3203.15(c)). If payment of the minimum monies owed the day of the sale is not received by the date and time above, the Bureau of Land Management will issue a bill for the monies owed. If payment then is not received by the bill due date, the United States will pursue collection by all available methods, and when appropriate issue late fees, civil penalties, interest, administrative charges and penalties on past due amounts. “All available methods” include, but are not limited to, referral to collection agencies and credit reporting bureaus, salary or administrative offset, federal and state payments, including goods or services, federal and state tax refunds, and retirement payments. The debt may be sent to the Internal Revenue Service for inclusion as income to you on form 1099C, Cancellation of Debt. (Federal Claims Collection Act of 1966, as amended ; The Debt Collection Improvement Act of 1996; 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

- **Forms of payment:** You may pay by:

personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only).

Effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$100,000. We also will not accept aggregated smaller amounts to bypass this requirement. **Colorado BLM will no longer accept payments by Automated Clearing House (ACH) or Fed Wire Transfers.**

We cannot accept cash. Make checks payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may require that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. (If you plan on submitting your payment on the day of the sale using a credit card, please be sure that you call and notify your bank.) However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

- **Bid form:** On the day of the sale, if you are the successful bidder, you must give us a properly completed and signed competitive bid form (Form 3000-2 dated August 2007) with the required payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. *We will not accept any bid form that has information crossed out or otherwise altered.*

We recommend you get a copy of the bid form and complete all but the serial number and money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

- (1) You and/or the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202; and
- (2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

- **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. A lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.
- **Lease terms:** A lease issued as a result of this sale has a primary term of 10 years. It will continue beyond its primary term as long as geothermal in paying quantities is produced on or for the benefit of the lease. The annual rental will be \$2 per acre for the first year and \$3 per acre for years 2 through 10. At the beginning of the eleventh lease year, the rental rate for all leases increases to \$5 per acre. Rentals are due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty at 1.75 percent for the first 10 years, and 3.5 percent thereafter.
- **Stipulations:** Stipulations are part of the lease and supersede any inconsistent provisions of the lease form. All Federal geothermal lease rights are granted subject to applicable laws under Section 6 of the lease terms, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. Seq. In accordance with Washington Office Instruction Memorandum No. 2002-174 the one parcel included in this geothermal lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO Instruction Memorandum No. 2005-003, Cultural Resources and Tribal Consultation, for Fluid Minerals Leasing, the one parcel offered in this geothermal lease sale will be subject to the attached Cultural Resource Protection Stipulation.

- **Legal Land Descriptions:** We prepared the Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions:

The township and range contains additional zeros. For example, T. 9 S., R. 92 W., is shown as, T. 0090S., R. 0920W. (additional zeros underlined).

Lands are described separately by lots, tracts, minor aliquot parts, aliquot parts, and exceptions to survey for each section.

- **Cellular Phone Usage:** Cellular phones are not allowed to be used in the sale room. Please remember to silence your phones before the sale begins.
- **Other Conditions of the Sale:** At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.
- **Mailings and Deliveries:** All mailings and deliveries to the Bureau of Land Management must have return addresses or we won't be able to accept delivery of them.

How do I file a noncompetitive day-after-sale offer after the sale?

If the one parcel offered for geothermal leasing does not receive a bid, it will be available for noncompetitive leasing for a two-year period beginning the first business day following the sale. If you want to file a noncompetitive offer on an unsold parcel, you must file in this office:

- An Offer to Lease and Lease for Geothermal Resources, Form 3200-24a (September 2008), properly completed and signed. An original and two copies of this offer must be prepared and filed. We will accept only exact copies of the form on one 2-sided page. Describe the lands in your offer as specified in our regulations at 43 CFR 3204.11(a) (1).

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for the parcel as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

- Your payment for the total of the \$375 filing fee and the advanced first year's rental of \$1 per acre. Remember to round up any fractional acreage when you calculate the amount of rental.

Put the above items in a sealed envelope marked "Noncompetitive Offer" and place the envelope in the drop box in the Colorado State Office Information Access Center (Public Room). We consider all offers filed the day of a sale and the first business day after it, for any unsold parcel, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer (43 CFR 3204.11(b)(2)).

May I withdraw my application for a noncompetitive lease:

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

How can I find out the results of this sale?

We will post the sale results in the State Office Information Access Center (Public Room) and on our public Internet site when we have compiled them. You can buy a printed copy of the results list for \$5 from the Information Access Center. The list will also be available on our public Internet site under oil and gas leasing:

http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html

May I protest BLM's decision to offer the lands in this Notice for lease?

We will consider all comments received after our sale posting date of December 11, 2009, to 4:00 p.m. on January 27, 2010. All letters may be sent to the State Director, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215. A letter may be sent by telefax to the Colorado State Office at 303-239-3799. All letters must reference the specific COC 5-digit serial number. A signature and a statement of interest are required for each comment letter. If the party signing the comment letter is doing so on behalf of an association, partnership, or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act in its behalf, the individual cannot send a letter in the group's name.

Who should I contact if I have questions?

If you have questions on BLM stipulations, lease notices, or other information related to this parcel, please contact the appropriate BLM Field Office for assistance.

For general information about the competitive geothermal lease sale process, or this Lease Sale Notice, you may e-mail or call:

Ms. Ginny Buller: e-mail ginny_buller@co.blm.gov. Telephone number (303) 239-3777

Ms. Nancy McCarty: e-mail nancy_mccarty@co.blm.gov. Telephone number (303) 239-3780

Ms. Candace Meyer: e-mail candace_meyer@co.blm.gov. Telephone number (303) 239-3771

Mr. Justice Rhodes: e-mail justice_rhodes@co.blm.gov. Telephone number (303) 239-3928

Karen Zurek
Chief, Fluid Minerals Adjudication

SURFACE MANAGEMENT AGENCY DESCRIPTION

The list of parcels offered for competitive sale includes a description of the surface management agency(ies) involved. Where the surface is administered by a federal agency other the BLM, the coordinating BLM District And Resource Area Offices are depicted immediately below. The following abbreviations are used:

	Surface Management Agencies
BLM	Bureau of Land Management
PVT	Private surface
FS	Forest Service surface
BOR	Bureau of Reclamation surface
DOE	Department of Energy surface
NF	National Forest
NG	National Grassland
STCO	State of Colorado
	BLM District Offices
CDO	Craig District Office
CCDO	Canon City District Office
MDO	Montrose District Office
GJDO	Grand Junction District Office
	BLM Resource Area Offices
KRA	Kremmling Resource Area (CDO)
LSRA	Little Snake Resource Area (CDO)
WRRRA	White River Resource Area (CDO)
GJRA	Grand Junction Resource Area (GJDO)
GSRA	Glenwood Springs Resource Area (GJDO)
UBRA	Uncompahgre Basin Resource Area (MDO)
GBRA	Gunnison Basin Resource Area (MDO)
SJRA	San Juan Resource Area (MDO)
*NERA	Northeast Resource Area (CCDO)
SLRA	San Luis Resource Area (CCDO)
RGRA	Royal Gorge Resource Area (CCDO)

*The Northeast Resource Area (NERA) has been merged into the Royal Gorge Resource Area (RGRA)

Sample Number 1: PVT; BLM; CCDO: NERA (This entry shows the parcel contains both private and BLM surface located in the Canon City District Office in the Northeast Resource Area.)

Sample Number 2: FS; Routt NF; CDO: LSRA (This entry shows the parcel is Forest Service land in the Routt National Forest. The coordinating BLM office is in the Little Snake Resource Area in the Craig District.)

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3200.

SERIAL #: COC73714

T. 0150S., R 0780W., 6TH PM

Sec. 19: Lot 3,4;

Sec. 19: E2SW;

Sec. 19: W2SE,SESE;

T. 0150S., R 0790W., 6TH PM

Sec. 13: N2SW,SWSW,SE;

Sec. 24: W2W2,E2SE;

Chaffee County

Colorado 799.200 Acres

All lands are subject to Exhibit CO-5 NSO within ¼ mile radius of a cliff nesting complex for peregrine falcons.

All lands are subject to Exhibit CO-09 to protect big game winter habitat.

All lands are subject to Exhibit CO-24 no activities are allowed between March 16 and July 31 within ½ mile of a peregrine falcon cliff nesting complex to prevent abandonment and desertion of established territories.

All lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal. See also Geothermal PEIS ROD section 2.3.4 at page 2-8.

All lands are subject to Exhibit CO-39 to protect cultural resources. See also Geothermal PEIS ROD section 2.3.4 at page 2-8

All lands are subject to Exhibit CO-52 to prevent potential injury to senior water right users under Colorado state law.

All lands are subject to Exhibit CO-53 to comply with applicable provisions of the Colorado Geothermal Resources Act.

PVT/BLM; CCDO: RGRA

EXHIBIT CO-05

Lease Number:

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below (legal description or other description):

For the purpose of:

To protect peregrine falcon nesting within a one-quarter mile radius from the complex.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT CO-09

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

December 1 through April 30

On the lands described below:

For the purpose of (reasons):

To protect big game (mule deer, elk, pronghorn antelope, and bighorn sheep) winter range, including crucial winter habitat and other definable winter range as mapped by the Colorado Division of Wildlife. This may apply to sundry notice that require an environmental analysis.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

An exception may be granted under mild winter conditions for the last 60 days of the closure.

EXHIBIT CO-24

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

March 16 through July 31

On the lands described below:

For the purpose of (reasons):

To protect peregrine falcon cliff nesting complex within one-half mile of the site to prevent abandonment and desertion of established territories.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted only after formal consultation with the U.S. Fish and Wildlife Service in accordance with Section 7 of the Endangered Species Act of 1973, and during years when the nest site is unoccupied, when occupancy ends by or after May 15, or once the young have fledged and dispersed from the nest.

EXHIBIT CO-28

Lease Number:

CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

On the lands described below:

For the purpose of:

To protect perennial water impoundments and streams, and/or riparian/wetland vegetation by moving geothermal exploration and development beyond the riparian vegetation zone. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted only if an on-site impact analysis shows no degradation of the resource values.

EXHIBIT CO-34

Lease Number:

ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

On the lands described below:

EXHIBIT CO-39

Lease Number:

CONTROLLED SURFACE USE

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O.13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

On the lands described below:

EXHIBIT CO-52

Lease Number: <LEASE_NUMBER>

EXTRACTION STIPULATION

To prevent potential injury to senior water right users under Colorado state law, and to ensure that existing geothermal features are protected under the terms of BLM's Royal Gorge Resource Management Plan, as amended by the Record of Decision and Resource Management Plan Amendments for Geothermal Leasing in the Western United States, 2008ⁱ; this lease is restricted as follows:

Monitoring during exploration, development and production activities may be required as directed by the BLM in consultation with the Colorado State Engineer's Office, and the burden of proof shall be on the lessee, to ensure that extraction of heat from the geothermal resource under this lease is limited to the extent that it must not diminish, beyond applicable natural seasonal fluctuations, the measurable quantity, quality or temperature of any existing allocated water or geothermal resources used by holders of rights to such resources in the Chalk Creek Valley.

While compliance with Colorado State Engineer regulations associated with the appropriation of geothermal fluids with respect to the prevention of injury to senior water rights users will likely satisfy this requirement, an issue of material injury may be determined by the relevant Colorado Water Court.

On the lands described below:

<LEGAL_DESCRIPTIONS>

- i- http://www.blm.gov/wo/st/en/prog/energy/geothermal/geothermal_nationwide/record_of_decision.html

EXHIBIT CO-53

Lease Number: <LEASE_NUMBER>

LEASE STIPULATIONS

The lessee is hereby notified that prior to development of a geothermal resource, the lessee will have to comply with applicable provisions of the Colorado Geothermal Resources Act, § 37-90.5-101-108, C.R.S. and rules and regulations, now in existence or as may be modified in the future, consistent with lease rights.

On the lands described below:

<LEGAL_DESCRIPTIONS>

December 11, 2009

NOTICE OF COMPETITIVE LEASE SALE
OIL AND GAS

The Colorado State Office is offering competitively 11 parcels containing 3510.5 acres of Federal lands in the State of Colorado for oil and gas leasing. This notice provides:

- the time and place of the sale,
- how to participate in the bidding process,
- the sale process,
- the conditions of the sale,
- how to file a noncompetitive offer after the sale; and
- how to file a presale noncompetitive offer.

Attached to this notice is a list of the lands being offered by serial number and legal land description. We have included stipulations that apply to each parcel.

When and where will the sale take place?

When: The competitive oral sale for oil and gas will begin immediately following the geothermal lease offering at 9 a.m. on February 11, 2010. The sale room will open one hour earlier to allow you to register and obtain your bid number. Registration begins at 8 a.m.

Where: The sale is held at the Bureau of Land Management, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact Karen Zurek at (303) 239-3795.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the national minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must register to obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. We will begin registering bidders at 8 a.m. on the day of the sale.

When you register to bid, you will be asked to sign a statement that your bid is a good faith intention to acquire an oil and gas lease and that you understand any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed, whether or not a lease is subsequently issued. Further, you will acknowledge that you understand it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious or fraudulent statements or representations regarding your qualifications, bidder registration and intent to bid, acceptance of a lease, and pay monies owed.

If you, or the party you represent, owe the United States any monies from a previous oil and gas lease auction conducted by any BLM office, you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act sets out that leases be issued to a "responsible qualified bidder." (30 U.S.C. 226(b)(1)(A)) Any bidder, or party represented by a bidding agent, who does not pay the minimum monies owed the day of the sale is considered as not meeting the qualifications to hold a lease—that is, is not considered a "responsible qualified bidder"—and will be barred from participating in any oil and gas lease auction until that debt to the United States is settled.

What is the sale process?

Starting at 9 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the attached Lease Sale Notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre. If a parcel contains fractional acreage, you must round it up to the next whole acre. For example, a parcel of 100.401 acres requires a minimum bid of \$202 (\$2 x 101 acres).

How long will the sale last?

We begin the sale immediately following the geothermal lease offering at 9 a.m.; and it continues until all of the parcels in this Lease Sale Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. The sale should be completed by 10:30 a.m.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.
- **Fractional interests:** 43 CFR 3120.1-2(c) If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. For each parcel you win, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre, the first year's advance rental of \$1.50 per acre or fraction of an acre, and a non-refundable administrative fee of \$145. You may pay at the sale site or by 4 p.m. at the Colorado State Office. You must pay any remaining balance due by **4 p.m. February 26, 2010**, which is the tenth working day following the sale. **If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale.** If you forfeit a parcel, we may offer it at a future sale.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States, whether or not a lease is issued. (43CFR 3120.5-2(b) and 43 CFR 312035-3(a)). If payment of the minimum monies owed the day of the sale is not received by the date and time above, the Bureau of Land Management will issue a bill for the monies owed. If payment then is not received by the bill due date, the United States will pursue collection by all available methods, and when appropriate, issue late fees, civil penalties, interest, and administrative charges on past due amounts. "All available methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus, salary or administrative offset, federal and state payments, including goods or services, federal and state tax refunds, and retirement

payments. The debt may be sent to the Internal Revenue Service for inclusion as income to you on form 1099C, Cancellation of Debt. (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

- **Form of payment:** You can pay by:

personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only).

Effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$100,000. We also will not accept aggregated smaller amounts to bypass this requirement. **Colorado BLM will no longer accept payments by Automated Clearing House (ACH) or Fed Wire Transfers.**

We cannot accept cash. Make checks payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may require that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements (If you plan on submitting your payment on the day of the sale using a credit card please be sure that you call and notify your bank). *However, we cannot grant you any extension of time to pay the money that is due the day of the sale.*

- **Bid form:** On the day of the sale, if you are the successful bidder, you must give us a properly completed and signed competitive bid form (Form 3000-2 dated October 1989 or later) with the required payment on the day of the sale. This form constitutes a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. *We will not accept any bid form that has information crossed out or is otherwise altered.*

We recommend you get a copy of the bid form and complete all but the parcel number and money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies:

- (1) that you and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and
 - (2) that both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.
- **Federal acreage limitations:** Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain lands and 246,080 acres of acquired lands (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement or development contract that you hold, own, or control is excluded from chargeability for acreage limitation purposes.

The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

- **Lease terms:** A lease issued as a result of this sale has a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the lease anniversary date each year until production begins. Once a lease becomes producing, royalty of 12.5 percent must be paid. You will find other lease terms on our standard lease form (Form 3100-11, October 2008). (**Note:** You may copy the lease form, but if you copy an obsolete lease form, your offer will be rejected. The copy you make must be legible.)
- **Split Estate:** Information regarding leasing of Federal minerals overlain with private surface, referred to as "Split Estate," is available at the Washington Office website provided below. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities if private surface owners and oil and gas operators are in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program.

www.blm.gov/bmp/Split_Estate.htm

- **Stipulations:** Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.
- **Lease issuance:** After we have received the bid form and all monies due, the lease can be issued. The lease effective date is the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

Legal Land Descriptions: We prepared the Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

The township and range contains additional zeros. For example, T. 9 S., R. 92 W., is shown as, T. 0090S., R. 0920W. (additional zeros underlined).

Lands are described separately by lots, tracts, minor aliquot parts, aliquot parts, and exceptions to survey for each section.

Cellular Phone Usage: Cellular phones are not allowed to be used in the sale room. Please remember to silence your phones before the sale begins.

Other Conditions of the Sale: At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

Mailings and Deliveries: All mailings and deliveries to the Bureau of Land Management must have return addresses or we won't be able to accept delivery of them.

NONCOMPETITIVE OFFERS TO LEASE

How do I file a noncompetitive day-after-sale offer after the sale?

Parcels that do not receive a bid are available on a first-come, first-served basis for a two-year period beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must file in this office:

- an offer to lease form (Form 3100-11, dated October 2008) properly completed and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$375 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

We will have a drop box in the payment room. All offers, filed the day of a sale and the first business day after it are considered filed simultaneously. When a parcel receives more than one filing by 4 p.m. on the day after the sale, a drawing is held to determine the winner. A presale offer has priority over any offer filed after the sale. After the day-after-sale drawing, any parcels remaining are available for a period of two years. Offers receive priority as of the date and time of filing in this office.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- are available,
- have not been under lease during the previous one-year period, or
- have not been included in a competitive lease sale within the previous two-year period.

If we do not get a bid for the parcel that contains the lands in your presale offer, it has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations.

If you want to file a presale offer you must file in this office:

- an offer to lease form properly completed and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$375 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

When is the next competitive oil and gas lease sale scheduled?

We have tentatively scheduled our next competitive sale for **MAY 13, 2010**. Expressions of Interest (EOI's) cutoff for the May 13, 2010, Sale is December 14, 2009. Expressions of Interest cutoff for the August 12, 2010, Sale is March 19, 2010. We can make no guarantee as to when a given parcel will be offered for competitive sale. We will try to put EOI's on the earliest possible sale.

How do I file an Expression of Interest (EOI)?

An Expression of Interest (EOI) is an informal nomination to request that certain lands be included in an oil and gas competitive lease sale. This request must be made in writing or can be E-mailed to:

co_leasing_info@blm.gov

No filing fee or rental is required with an EOI. We are required (43 CFR 3120.4-2) to post the Notice of Competitive Sale 45 days prior to the sale. The oil and gas plats also must be notated with the parcels 45 days prior to the sale. This is a very complicated and lengthy process. Please keep this in mind when making future plans regarding a federal oil and gas lease.

As of August 8, 1995, all BLM offices must hold as confidential the names of all parties that file an informal EOI until 2 days following the last day of the competitive sale, or in other words, until the next day following the conclusion of the noncompetitive day-after-the sale filings. Make sure your EOI contains the minimum following information:

- your name or company name with mailing address and telephone number, and
- complete legal land description

Effective immediately, if you are submitting an informal Expression of Interest (EOI) which includes split estate lands (private surface/Federal minerals), you must provide, with the EOI, the name and address of current private surface owners(s). The Bureau of Land Management (BLM) will send a courtesy letter to the surface owners(s) providing notice of the scheduled auction as well as information about the BLM's regulations and procedures for Federal oil and gas leasing and development on split estate lands.

In the future, an EOI which includes split estate lands that does not provide the name and address of the surface owner(s) will not be processed by the BLM. In addition, any EOI which is currently pending in a BLM State Office will not be placed in the Notice of Competitive Lease Sale until the required information is provided.

How can I find out the results of this sale?

We will post the sale results in the State Office Information Access Center (Public Room) and on our public Internet site when we have compiled them. You can buy a printed copy of the results list for \$5 from the Information Access Center. The list will also be available on our public Internet site:

http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html

PROTEST INFORMATION

Protests for the February 11, 2010, Competitive Oil & Gas Sale must be received by

4:00 P.M. on January 27, 2010

May I protest BLM's decision to offer the lands in this Notice for lease?

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this lease sale notice. All protests must meet the following requirements:

- The BLM Colorado State Office must receive a protest no later than close of business on the 15th calendar day prior to the date of the lease sale. No protests should be received by BLM District or Resource Area Offices. All protests must be received by the Colorado State Office, located at 2850 Youngfield St., Lakewood, CO 80215. If the State Office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. Close of business for the Colorado State office is **4:00 pm** which is when the Information Center (Public Room) closes. The protest must also include a statement of reasons to support the protest. **We will dismiss a late-filed protest, a protest filed without a statement of reasons, or a protest listing the internal 4-digit parcel ID number.**
- A protest must state the interest of the protesting party, their mailing address, **and reference the specific COC 5-digit serial number being protested.**
- You may file a protest by mail in hardcopy form or by telefax directly to the BLM Colorado State Office. You may not file a protest by electronic mail. A protest filed by fax must be sent to **303-239-3799**. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3) you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. **NOTE:** an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

May I appeal BLM's decision to deny my protest?

Yes, you may. **NOTE:** an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

May I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refund of the bonus bid, rentals and administrative fee if—

- there is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it; and
- there is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

NOTE: The posting of this notice serves to withdraw the lands listed herein from filings under 43 CFR 3110.1(a)(1)(ii).

Who should I contact if I have questions?

If you have questions on BLM stipulations, lease notices, or other information related to this parcel, please contact the appropriate BLM Field Office for assistance. If you have questions on another surface management agency's stipulations or restrictions, etc., for parcels under their surface management jurisdiction, please contact that agency.

For general information about the competitive oil and gas lease sale process, or this Lease Sale Notice, you may e-mail or call:

Ms. Ginny Buller: e-mail ginny_buller@co.blm.gov. Telephone number (303) 239-3777

Ms. Nancy McCarty: e-mail nancy_mccarty@co.blm.gov. Telephone number (303) 239-3780

Ms. Candace Meyer: e-mail candace_meyer@co.blm.gov. Telephone number (303) 239-3771

Mr. Justice Rhodes: e-mail justice_rhodes@co.blm.gov. Telephone number (303) 239-3928

Karen Zurek
Chief, Fluid Minerals Adjudication

SURFACE MANAGEMENT AGENCY DESCRIPTION

The list of parcels offered for competitive sale includes a description of the surface management agency(ies) involved. Where the surface is administered by a federal agency other the BLM, the coordinating BLM District And Resource Area Offices are depicted immediately below. The following abbreviations are used:

	Surface Management Agencies
BLM	Bureau of Land Management
PVT	Private surface
FS	Forest Service surface
BOR	Bureau of Reclamation surface
DOE	Department of Energy surface
NF	National Forest
NG	National Grassland
STCO	State of Colorado
	BLM District Offices
CDO	Craig District Office
CCDO	Canon City District Office
MDO	Montrose District Office
GJDO	Grand Junction District Office
	BLM Resource Area Offices
KRA	Kremmling Resource Area (CDO)
LSRA	Little Snake Resource Area (CDO)
WRRRA	White River Resource Area (CDO)
GJRA	Grand Junction Resource Area (GJDO)
GSRA	Glenwood Springs Resource Area (GJDO)
UBRA	Uncompahgre Basin Resource Area (MDO)
GBRA	Gunnison Basin Resource Area (MDO)
SJRA	San Juan Resource Area (MDO)
*NERA	Northeast Resource Area (CCDO)
SLRA	San Luis Resource Area (CCDO)
RGRA	Royal Gorge Resource Area (CCDO)

*The Northeast Resource Area (NERA) has been merged into the Royal Gorge Resource Area (RGRA)

Sample Number 1: PVT; BLM; CCDO: NERA (This entry shows the parcel contains both private and BLM surface located in the Canon City District Office in the Northeast Resource Area.)

Sample Number 2: FS; Routt NF; CDO: LSRA (This entry shows the parcel is Forest Service land in the Routt National Forest. The coordinating BLM office is in the Little Snake Resource Area in the Craig District.)

THE FOLLOWING ACQUIRED LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3120.

SERIAL #: COC74180

T. 0180S., R 0610W., 6TH PM

Sec. 11: SENE,N2SE;

Sec. 12: N2S2,SESE;

U.S. Interest 50.00%

U.S. Interest 50.00%

Pueblo County

Colorado 320.000 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0180S., R 0610W., 6TH PM

Sec. 11: N2SE;

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

PVT/BLM; CCDO: RGRA

SERIAL #: COC74181

T. 0170S., R 0630W., 6TH PM

Sec. 2: Lot 3,4;

Sec. 2: S2NW;

Sec. 3: Lot 1,2;

Sec. 3: S2NE;

U.S. Interest 50.00%

U.S. Interest 50.00%

U.S. Interest 50.00%

U.S. Interest 50.00%

El Paso County

Colorado 320.980 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

PVT/BLM; CCDO: RGRA

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3120.

SERIAL #: COC74182

T. 0340S., R 0430W., 6TH PM
Sec. 36: Lot 13;

Baca County
Colorado 13.580 Acres

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

All lands are subject to Exhibit RG-03 to protect lesser prairie chicken habitat.

BLM; CCDO: RGRA

SERIAL #: COC74183

T. 0180S., R 0610W., 6TH PM
Sec. 4: Lot 1,2;
Sec. 4: S2NE,SE;
Sec. 8: SESE;
Sec. 9: SWNE,NW,N2SW,NWSE;
Sec. 11: NESW;

Pueblo County
Colorado 721.240 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

The following lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

T. 0180S., R 0610W., 6TH PM
Sec. 4: Lot 1,2;
Sec. 4: S2NE,SE;
Sec. 9: SWNE,NW,N2SW,NWSE;

DEPT OF STATE/BLM;PVT/BLM;BLM; CCDO: RGRA

SERIAL #: COC74184

T. 0160S., R 0620W., 6TH PM
Sec. 21: E2;
Sec. 24: NWNW;

El Paso County
Colorado 360.000 Acres

The following lands are subject to Exhibit CO-09 to protect big game winter habitat:

T. 0160S., R 0620W., 6TH PM
Sec. 24: NWNW;

The following lands are subject to Exhibit CO-11 to protect antelope fawning:

T. 0160S., R 0620W., 6TH PM
Sec. 24: NWNW;

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

All lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

DEPT OF STATE/BLM; CCDO: RGRA

SERIAL #: COC74185

T. 0170S., R 0620W., 6TH PM
Sec. 13: SENE,SWNW,NWSW,NESE;
Sec. 32: E2E2;

El Paso County
Colorado 320.000 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0170S., R 0620W., 6TH PM
Sec. 32: NENE;

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

All lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

DEPT OF STATE/BLM; CCDO: RGRA

SERIAL #: COC74186

T. 0150S., R 0640W., 6TH PM
Sec. 6: Lot 3;
Sec. 15: SWSE;

El Paso County
Colorado 80.210 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0150S., R 0640W., 6TH PM
Sec. 15: SWSE;

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

The following lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

T. 0150S., R 0640W., 6TH PM
Sec. 6: Lot 3;

DEPT OF STATE/BLM;PVT/BLM; CCDO: RGRA

SERIAL #: COC74187

T. 0040N., R 0610W., 6TH PM
Sec. 3: S2S2;
Sec. 4: Lot 3,4;
Sec. 4: S2NW,N2S2;
Sec. 5: S2NW,E2SE,NWSE;
Sec. 5: EXCL RSVR COC123882;
Sec. 6: Lot 1;
Sec. 6: EXCL RSVR COC123882;
Sec. 7: NESW,NWSE;
Sec. 7: EXCL RSVR COC123882;
Sec. 8: NWNE;
Sec. 8: EXCL RSVR COC123882;
Sec. 10: N2NE,NW;

Weld County
Colorado 706.790 Acres

All lands are subject to Exhibit CO-04 to protect bald eagle roosts or nests.

All lands are subject to Exhibit CO-17 to protect white pelican nesting and feeding habitat.

All lands are subject to Exhibit CO-22 to protect bald eagle nesting habitat.

All lands are subject to Exhibit CO-23 to protect bald eagle winter roost sites.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

The following lands are subject to Exhibit NE-01 to protect reservoir and railroad rights-of-way improvements and to preserve public safety:

T. 0040N., R 0610W., 6TH PM
Sec. 5: S2NW;
Sec. 6: Lot 1;
Sec. 7: NESW,NWSE;
Sec. 8: NWNE;

All lands are subject to Exhibit NE-02 to protect riparian and wildlife values near reservoirs and rivers.

PVT/BLM;BLM; CCDO: RGRA

SERIAL #: COC74188

T. 0050N., R 0610W., 6TH PM
Sec. 33: SW;

Weld County
Colorado 160.000 Acres

All lands are subject to Exhibit CO-11 to protect antelope fawning.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

All lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

DEPT OF STATE; CCDO: RGRA

SERIAL #: COC74189

T. 0040N., R 0620W., 6TH PM
Sec. 1: Lot 4;
Sec. 1: W2SE;
Sec. 1: EXCL RSVR COC123882;
Sec. 2: SESE;
Sec. 2: EXCL RSVR COC123882;

Weld County
Colorado 75.310 Acres

All lands are subject to Exhibit CO-04 to protect bald eagle roosts or nests.

All lands are subject to Exhibit CO-17 to protect white pelican nesting and feeding habitat.

All lands are subject to Exhibit CO-23 to protect bald eagle winter roost sites.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

All lands are subject to Exhibit NE-01 to protect reservoir and railroad rights-of-way improvements and to preserve public safety.

All lands are subject to Exhibit NE-02 to protect riparian and wildlife values near reservoirs and rivers.

BLM; CCDO: RGRA

SERIAL #: COC74190

T. 0040N., R 0620W., 6TH PM

Sec. 12: S2SE;
Sec. 12: EXCL RSVR COC123882;
Sec. 13: N2N2;
Sec. 13: EXCL RSVR COC123882;
Sec. 14: S2N2;
Sec. 15: NWSW;
Sec. 25: SESW,W2SE;

Weld County

Colorado 432.390 Acres

All lands are subject to Exhibit CO-04 to protect bald eagle roosts or nests.

All lands are subject to Exhibit CO-17 to protect white pelican nesting and feeding habitat.

All lands are subject to Exhibit CO-22 to protect bald eagle nesting habitat.

All lands are subject to Exhibit CO-23 to protect bald eagle winter roost sites.

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal.

All lands are subject to Exhibit CO-39 to protect cultural resources.

The following lands are subject to Exhibit CO-54 surface managed by the State of Colorado Board of Land Commissioners.

T. 0040N., R 0620W., 6TH PM

Sec. 14: S2N2;
Sec. 15: NWSW;
Sec. 25: SESW,W2SE;

The following lands are subject to Exhibit NE-01 to protect reservoir and railroad rights-of-way improvements and to preserve public safety:

T. 0040N., R 0620W., 6TH PM

Sec. 12: S2SE;
Sec. 13: NWNE,N2NW;

The following lands are subject to Exhibit NE-02 to protect riparian and wildlife values near reservoirs and rivers:

T. 0040N., R 0620W., 6TH PM

Sec. 12: SESE;

Sec. 13: N2N2;

Sec. 15: NWSW;

DEPT OF STATE;BLM; CCDO: RGRA

EXHIBIT CO-04

Lease Number:

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below (legal description or other description):

For the purpose of:

To protect bald eagle roosts and nests within a one-quarter mile radius from the site.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

An exception may be granted to this stipulation depending on the current usage of the site, or the geographical relationship to the topographic barriers and vegetation screening.

EXHIBIT CO-09

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

December 1 through April 30

On the lands described below:

For the purpose of (reasons):

To protect big game (mule deer, elk, pronghorn antelope, and bighorn sheep) winter range, including crucial winter habitat and other definable winter range as mapped by the Colorado Division of Wildlife. This may apply to sundry notice that require an environmental analysis.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

An exception may be granted under mild winter conditions for the last 60 days of the closure.

EXHIBIT CO-11

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

May 1 through July 15

On the lands described below:

For the purpose of (reasons):

To protect pronghorn antelope fawning

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT CO-17

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

March 16 through September 30

On the lands described below:

For the purpose of (reasons):

To protect white pelican nesting and feeding habitat during usage

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT CO-22

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

December 15 through June 15

On the lands described below:

For the purpose of (reasons):

To protect bald eagle nesting habitat within a one-half mile buffer around the nest site

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted during years when the nest site is unoccupied, when occupancy ends by or after May 15, or once the young have fledged and dispersed from the nest.

EXHIBIT CO-23

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

November 16 through April 15

On the lands described below:

For the purpose of (reasons):

To protect bald eagle winter roost sites within a one-half mile buffer around the site

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted for partial or complete visual screening of the oil and gas activity from the primary zone (that is, one-quarter mile around the roost site).

EXHIBIT CO-28

Lease Number:

CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

On the lands described below:

For the purpose of:

To protect perennial water impoundments and streams, and/or riparian/wetland vegetation by moving oil and gas exploration and development beyond the riparian vegetation zone.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted only if an on-site impact analysis shows no degradation of the resource values.

EXHIBIT CO-34

Lease Number:

ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

On the lands described below:

EXHIBIT CO-39

Lease Number:

CONTROLLED SURFACE USE

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O.13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

On the lands described below:

EXHIBIT CO-54

Lease Number: <LEASE_NUMBER>

LEASE NOTICE

Please be aware that the State of Colorado Board of Land Commissioners manages the surface of this lease. Please contact the State Land Board prior to entry on lease.

On the lands described below:

<LEGAL_DESCRIPTIONS>

EXHIBIT NE-01

Lease Number:

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below (legal description or other description):

For the purpose of:

To protect reservoir and railroad rights-of-way improvements and to preserve public safety by prohibiting incompatible uses within established rights-of-way.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted when lessee demonstrates to the satisfaction of the authorized office that these lands can be occupied without damage to improvements or compromising safety.

EXHIBIT NE-02

Lease Number:

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below (legal description or other description):

For the purpose of:

To protecting riparian and wildlife values and resources near reservoirs and rivers (including South Platte and South Republican Rivers and Prewitt, Julesburg, Prospect, Horsecreek, Milton, Lower Latham Rivershed, Empire, Bijou, and Ft. Collins reservoir

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT RG-03

Lease Number:

TIMING LIMITATION STIPULATION

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

March 1 through July 31

On the lands described below:

For the purpose of (reasons):

To protect lesser prairie chicken habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)
